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COMMITTEE MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Cheryl Peace, Chair

Linda Moulton-Pattersn

STAFF

Mark Leary, Executive Director

Elliot Block, Staff Counsel

Julie Nauman, Chief Deputy Director

Bonnie Cornwall, Acting Branch Manager, Used Oil Program

Mitch Delmage, Supervisor, Waste Tire Diversion

Bob Fujii, Supervisor, Special Waste Division

Selma Lindrud, Committee Secretary

Todd Thalhamer, Staff

ALSO PRESENT

Dan Armenta, City of Vallejo

David Assman, San Francisco Department of Environment

Derek Crutchfield, City of Vallejo

Michael Harrington, BAS Recycling, Inc.

Rog Sarkiss, BAS Recycling, Inc.

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1 PROCEEDINGS

2 CHAIRPERSON PEACE: Good morning, and welcome
3 to the Special Waste Committee.

4 Selma, would you like to call the roll?

5 SECRETARY LINDRUD: Moulton-Patterson?

6 COMMITTEE MEMBER MOULTON-PATTERSON: Here.

7 SECRETARY LINDRUD: Peace?

8 CHAIRPERSON PEACE: Here.

9 Mr. Washington, due to a family emergency, he
10 will not be with us today.

11 Thank you all for being here. At this time I
12 want to remind you to please turn off your pagers and cell
13 phones or put them on vibrate.

14 There are some agendas and speaker slips on the
15 back table. So if you'd like to address the Committee on
16 an item, please bring your speaker slip to Ms. Lindrud.
17 She has her hand raised over here.

18 Any ex partes?

19 COMMITTEE MEMBER MOULTON-PATTERSON: I'm up to
20 date.

21 CHAIRPERSON PEACE: I'm up to date also.

22 I just want to mention one thing. Last week my
23 office had a meeting with the people over at Caltrans. We
24 just tried to get together, open up some lines of
25 communication. We wanted to hear what some of their

1 challenges are, what our challenges are. We realize that
2 it's our job to recycle tires. Their job is to keep the
3 state moving. But those things aren't mutually exclusive.

4 We had a good meeting. It was a good start. And
5 I hope we can have some more meetings. We talked about
6 RAC and increased use of using the tire chips in civil
7 engineering projects. And they were very receptive to
8 that. In fact, their new Acting Chief right now, Randy
9 Iwasaki, is very pro RAC. It's his goal to try to bring
10 that level of using RAC in projects up to 30 percent by
11 next year. So he's a very good RAC supporter, which is
12 good. And hope we can have several more meetings and just
13 keep the dialogue and the communication going.

14 And I guess the next thing will probably be the
15 Deputy Director's report. And since Jim Lee is on
16 vacation, it's going to be given by Mitch Delmage.

17 WASTE TIRE DIVISION SUPERVISOR DELMAGE: Thank
18 you, Madam Chair and Committee Member Moulton-Patterson.
19 I'm Mitch Delmage with the Special Waste Division and I am
20 sitting in for Deputy Director Jim Lee.

21 The first thing I'd like to report is that last
22 May the Board approved the revised registration and
23 manifest regulations. They were reviewed by the Office of
24 Administrative Law and the Secretary of State and went
25 into effect July 21st.

1 Also like to put on the record to thank Board
2 Member Rosario Marin for participating in Channel 13's
3 open forum. Jennifer Whitney and Dave Bender of KOVR
4 hosted the town hall meeting. The Regional Marketing
5 Committee, which consists of Used Oil grantees in the
6 Sacramento area coordinated the event. Board Member Marin
7 offered insight and advice about the importance of proper
8 disposal of used motor oil. And then there was a live
9 audience of about 75 that they fielded questions from.
10 It's going to air Sunday, August 15th.

11 We also had on July 7th the Roundtable Discussion
12 on the Tire Product Commercialization Grant Program. And
13 thanks to all the Board members who attended that. We got
14 a lot of good input, and we will be presenting an item on
15 the results from that Roundtable in September. And
16 transcripts are available on our website.

17 Then on July 28th we had the Product Stewardship
18 Institute facilitate a dialogue meeting with many of our
19 stakeholders. And for one of the first times, we had a
20 large contingent from the tire manufacturers. So that
21 was, indeed, a good meeting. It set the stage for future
22 talks. And the Product Steward Institute will be putting
23 together an action plan based on this meeting and also on
24 interviews that they conducted with other stakeholders and
25 surveys that they did as well. And we should have that

1 action plan in September or October and then we'll bring
2 it back to the Board at that time.

3 We have two upcoming meetings for the manifest
4 program. First one is scheduled for Sacramento on August
5 19th. And the next one will be September 8th in Diamond
6 Bar. We've sent out 16,000 notices to all effected
7 parties. So hopefully everybody will be aware of it and
8 will get a good turn out at both meetings.

9 We have a RAC Technical Center meeting scheduled
10 for the beginning of September. That will be in Southern
11 California at one of the RAC Center buildings. So it will
12 be a public building. We're still working on the location
13 and the date certain.

14 And, finally, on September 29th we'll begin the
15 biennial review process for the Five-Year Plan. We plan
16 on opening that meeting by looking at the existing
17 Five-Year Plan and overlaying some of the reports we've
18 got over the last few years, evaluations of programs.
19 We've had many meetings, conferences where we've gotten
20 input. So we'll be bringing all of that to the table to
21 open up this Five-Year Plan and hopefully put it in a
22 direction that will help us more effectively run the
23 program.

24 Yes.

25 COMMITTEE MEMBER MOULTON-PATTERSON: Mitch, how

1 are we getting the word out? I know you know there's been
2 a lot of people questioning the Five-Year Plan and
3 suggestions and all. How are we letting people know?

4 WASTE TIRE DIVISION SUPERVISOR DELMAGE: We'll be
5 doing a large mail out. It will be available on the
6 website. And I think that --

7 COMMITTEE MEMBER MOULTON-PATTERSON: The word
8 will get out.

9 WASTE TIRE DIVISION SUPERVISOR DELMAGE: We'll
10 have it advertised in other places as well, like the tire
11 report. So the word will get out. And hopefully we'll
12 have a lot of attendees at that as well.

13 COMMITTEE MEMBER MOULTON-PATTERSON: Because this
14 is an excellent opportunity for people to get their input.
15 And I want to thank Ms. Peace for taking the initiative in
16 getting this started. This is September 29th?

17 WASTE TIRE DIVISION SUPERVISOR DELMAGE: Yes.
18 And it will be here in Sacramento.

19 That's all I have for the report.

20 Any questions?

21 CHAIRPERSON PEACE: When you do the RAC Tec
22 Center Conference, are we going to have presentations by
23 the RAC Tec Center people?

24 WASTE TIRE DIVISION SUPERVISOR DELMAGE: I don't
25 have those details. If Bob is in the audience --

1 SPECIAL WASTE DIVISION SUPERVISOR FUJII: Bob

2 Fugii, Special Waste Division.

3 I think it's our intention to do a brief

4 presentation during the workshop to kind of kick it off.

5 And it's essentially going to be a presentation of the

6 recommendations made and the report that was presented to

7 the Board back in May of this year with some

8 recommendations. And we'll probably go from those

9 recommendations into a discussion with the stakeholders on
10 possible directions they feel the program should go.

11 CHAIRPERSON PEACE: And I've asked for a budget.

12 SPECIAL WASTE DIVISION SUPERVISOR FUJII: Yes.

13 We are working on that currently.

14 CHAIRPERSON PEACE: So they don't have a budget
15 to work from already?

16 SPECIAL WASTE DIVISION SUPERVISOR FUJII: Yes,
17 they do. They are working from a budget under the
18 contract they are currently entered into with us. So both
19 the Northern California and Southern California Tec
20 Centers have budgets within their contracts they're
21 working from.

22 CHAIRPERSON PEACE: And why is it so hard to get
23 it then?

24 SPECIAL WASTE DIVISION SUPERVISOR FUJII: Well, I
25 believe -- we can certainly get those budgets to you. And

1 I believe the other request is for the detailed -- a
2 little more detailed expenditures. That's what we're
3 working on now.

4 CHAIRPERSON PEACE: Thank you.

5 SPECIAL WASTE DIVISION SUPERVISOR FUJII: Sure.

6 WASTE TIRE DIVISION SUPERVISOR DELMAGE: All

7 right. We have a fairly light load for you today.

8 Our first item, Agenda Item B, Consideration of
9 Grantee Appeal Request to Accept Late Application
10 Submittal of Used Oil Block Grant 10th Cycle for Fiscal
11 Year 2004-2005 and clarification of Appeal Request Process
12 for the Used Oil Block Grant Program.

13 And Bonnie will be presenting.

14 CHAIRPERSON PEACE: It is light the month, but
15 we'll make up for it next month.

16 ACTING BRANCH MANAGER CORNWALL: Good morning.

17 I'm Bonnie Cornwall, the Acting Branch Manager for the
18 Used Oil Program. And Item Number 1 on the agenda, I
19 guess B on this agenda today, is the consideration of
20 request from seven applicants to accept their late
21 applications for the Block Grant Program for this Fiscal
22 Year 2004-2005.

23 In addition to requesting your determination on
24 their appeals, we're asking for clarification on whether
25 the Board wants to hear such appeals from the Block Grant

1 Program in the future and whether to allow applicants a
2 grace period if they turn in their completed application
3 but there's something wrong with the resolution or some
4 omissions or something that just needs to be cleaned up
5 and clarified.

6 We bring this item to your attention based on two
7 different Board policies within the past couple of years.
8 The first being the delegation of authority to the
9 Executive Director to disburse the funds for the Block
10 Grant Program, which you acted upon in May 2004 of this
11 year. And the second being the strict enforcement of the
12 June 1st deadline -- application deadline for the Block
13 Grants which was part of the sort of omnibus cleanup for
14 the Block Grant Program in December of 2002.

15 The May delegation item did not really address
16 how to handle any application dispute issues. And that
17 led to some confusion on the part of the Board staff and
18 perhaps the local agencies in what the policies would be
19 and how that would be handled.

20 We have seven grantees that are appealing the
21 disqualification of their applications, and their letters
22 are included as Attachment 3 in the agenda item.
23 Basically, they can be divided into three groups. The
24 first four had what's called postmark issues. There was a
25 holiday weekend, Memorial Day weekend, before the grant

1 applications were due. So while they sent them three or
2 four days in advance, because of the holiday, they were
3 delivered to the Board a day late.

4 The second group, and there are two applicants in
5 this category, we never received their applications. They
6 believe that they were sent, but we have no record of ever
7 receiving them.

8 And the third instance is the application was
9 received two weeks late because of confusion regarding
10 whether or not a complete application had to be turned in.
11 And they were late on getting their Board resolution.

12 There are representatives here from San Francisco
13 and Vallejo to explain their unique circumstances.

14 I'd like to close with advising you that the
15 current staff recommendation, and this represents the
16 unanimous opinion of both the Administrative, Program
17 Staff, Legal, and Program, is to accept the seven
18 applications, to strictly enforce the June 1st application
19 deadline in the future, and to allow a grace period for
20 those applicants who submit a timely but incomplete
21 application.

22 That closes my remarks, if there's any questions
23 or you'd like to hear from the local jurisdictions.

24 CHAIRPERSON PEACE: Bonnie, we talk about a grace
25 period, how much time are you thinking about?

1 ACTING BRANCH MANAGER CORNWALL: Well, I think
2 there could be as short as ten-day period. Typically,
3 what we've done in the past, and this was an issue that
4 came to the GPAD, the Grant Policy Analysis and
5 Documentation Team, and what we talked about there -- and
6 this would be to make it consistent for competitive grants
7 and the non-competitive grants -- is typically we allow a
8 grace period up until the BODS deadline. That tends to be
9 around about a month.

10 So I think this year there were 25 percent of the
11 applicants that had some missing documentations and were
12 able to really clean all that up within a month's time.
13 So be somewhere between two weeks and a month. That's
14 what we recommend.

15 CHAIRPERSON PEACE: So how would you work a grace
16 period then?

17 ACTING BRANCH MANAGER CORNWALL: Well, the same
18 way that we have been doing. It's a standard practice
19 here at the Board. The grant applications come in. It's
20 often the case that the application -- the person that's a
21 designated signatory may not be the same person on the
22 Council resolution or the resolution could say the
23 director and they may be only the acting director. All of
24 these little -- the dotting of the I's and crossing of the
25 T's that have to match up in order for us to execute a

1 grant agreement. That's policies from our administrative
2 office. It's those kinds of things.

3 What can happen and the reason we need to allow
4 probably up to a month, sometimes at a Council meeting --
5 you know how Board meetings go, the items at the end of
6 the agenda, may be a long meeting, and you wait -- you
7 delay them to the next month. Well, if that happens, you
8 know, in May and their application is due June 1st, they
9 may not be able to get on the Board agenda for another
10 month. So depending on when the Council meetings are,
11 that's what tends to drag it out to a month. That's been
12 our experience.

13 CHAIRPERSON PEACE: You're only giving them two
14 months. Is that a long enough time to give them,
15 considering they have to go to Board meetings to get these
16 signatures?

17 ACTING BRANCH MANAGER CORNWALL: It's pretty
18 standard practice. They're used to it. They received
19 this in April. They know every year they have a block
20 grant. We've been advising local jurisdictions to pass a
21 resolution that allows them to accept all Board grants in
22 a given year, not just the block grant.

23 The other thing that can happen is they may have
24 a resolution that ends up having the wrong year or the
25 wrong name. So we've been advising them to have one broad

1 resolution that covers all of their grants at the Board,
2 and then they don't run into these little issues. But it
3 depends on the legal departments at each jurisdiction.
4 Maybe the representatives from San Francisco or Vallejo
5 can offer more comment on that. That's what's been told
6 to me by various grantees, that it's generally plenty of
7 time, but they need to plan ahead and get it on the
8 Council agenda.

9 COMMITTEE MEMBER MOULTON-PATTERSON: Thank you.

10 I know we have speakers, but I just want to say
11 I'm in favor of the staff's recommendation. I think it's
12 reasonable. I did have one question I need some
13 clarification. So do we actually use the postmark?

14 ACTING BRANCH MANAGER CORNWALL: No. It's been
15 the policy in this particular program and I believe all of
16 the grant programs at the Board. Again, this was
17 something discussed by the GPAD group that we need the
18 applications here at the Board. This enables staff to --
19 really is in line with the sort of streamlining and
20 administrative efficiency. Sometimes if you rely on a
21 postmark, we've had grant applications come in two, three
22 weeks late. By that time, our review process may be
23 already finished. We may have scored all the grant
24 applications and made our recommendations, because we try
25 to allow the maximum amount of time for the applicants to

1 turn in their grant application, which means we sort of
2 scrunch things up on the back end and try to get the staff
3 working right away on reviewing the grant applications so
4 we can get the money out in a timely fashion.

5 COMMITTEE MEMBER MOULTON-PATTERSON: I understand
6 what you're saying. But isn't that the post office's
7 fault? If something is postmarked, they've obviously
8 gotten it in the mail. And because of a holiday or a
9 glitch or something -- I understand your position, but I'm
10 also thinking of cities with lots going on. And they did
11 get it postmarked.

12 ACTING BRANCH MANAGER CORNWALL: I mean, in this
13 instance, we're talking about a one-page application
14 that --

15 COMMITTEE MEMBER MOULTON-PATTERSON: Well, June
16 1st was a holiday, wasn't it? So --

17 ACTING BRANCH MANAGER CORNWALL: No. Memorial
18 Day was before that. But the applicants who had the
19 postmark issue mailed them on the 27th. Normally would
20 have been plenty of time. So I think people were
21 getting -- I mean, when you look at we have over 250
22 applications and this was really a very minor problem. I
23 think this is the practice that grantees are used to.
24 This was the recommendation of the staff internally that
25 that made it easier for their planning. This is

1 consistant with current Board policy. Of course, it can
2 be revisited, if you'd like us to go back to postmark for
3 all the grant applications.

4 COMMITTEE MEMBER MOULTON-PATTERSON: Well, it
5 just --

6 CHAIRPERSON PEACE: Either way somebody is at the
7 whim of the post office.

8 COMMITTEE MEMBER MOULTON-PATTERSON: I know
9 cities should plan ahead and mail them like a week before
10 and all that, but sometimes that just doesn't happen. And
11 my office has had a couple of calls that it was postmarked
12 the right date, but because of a holiday or whatever,
13 didn't get here.

14 ACTING BRANCH MANAGER CORNWALL: A great number
15 of the grantees send their grant applications --
16 especially when you're asking for a hefty amount of money,
17 they send them Federal Express, UPS, Priority Mail so they
18 can track them. And that gives them certainty that, in
19 fact, they were delivered. In those cases, if you have
20 proof that the item was mailed and it was mailed to us,
21 and if it was delayed somehow by the post office or the
22 carrier, my sense has been some legal -- and Elliot or
23 Holly could address that, but if there's documented proof
24 that the application was mailed and was guaranteed to be
25 here in time. So that's what many jurisdictions have been

1 doing. Again, it enables them. I know, myself, when I
2 send in grant applications, that's what I do, because I
3 want to know where it is at all times.

4 CHAIRPERSON PEACE: It's that suggested in the
5 application?

6 ACTING BRANCH MANAGER CORNWALL: It wasn't
7 suggested this time, but --

8 COMMITTEE MEMBER MOULTON-PATTERSON: It should
9 be, I think.

10 ACTING BRANCH MANAGER CORNWALL: But that's been
11 as a result of this process. We have a lot of suggestions
12 for what can be done to make this process easier.

13 One of the things we're talking about is using
14 our website to actually post for all the grantees, we got
15 your application. It's complete. And then they can check
16 it. In some cases, the smaller jurisdictions have
17 consultants preparing their grant applications. And if it
18 was posted, then the consultants could check that. Then
19 if somebody is on vacation or whatever, multiple people
20 can do that.

21 So we're looking at doing that, other things to deal with
22 the resolutions. So I think there are a number of things.

23 In the future we certainly will be advising
24 people to use guaranteed delivery. There were many grant
25 applicants who were advised to do that. One of the

1 letters in the attachment, somebody actually flew their
2 grant up because they really wanted to make sure it got
3 here on time.

4 CHAIRPERSON PEACE: That was a consultant that
5 did that. That was their job to do that.

6 ACTING BRANCH MANAGER CORNWALL: On behalf of
7 their jurisdiction, yes.

8 But, again, you know, if the Board would like to
9 reexamine this policy of whether grant applications should
10 be received at the Board or postmarked, clearly that's
11 something --

12 COMMITTEE MEMBER MOULTON-PATTERSON: Can they
13 submit it on line?

14 ACTING BRANCH MANAGER CORNWALL: Currently, not.
15 That's been one of the recommendations. Ms. Peace and
16 Mr. Paparian in soliciting input from the staff,
17 electronic submission has been something -- I know my
18 previous agency, we did that. California is a leader in
19 e-commerce. That's the way we do business in general
20 services. So I think that would really be the way to go.
21 There's ways to handle the electronic signatures. There
22 are a number of things like that that I think staff have
23 been bringing up on suggestion to the Board and I think
24 things we should consider.

25 COMMITTEE MEMBER MOULTON-PATTERSON: It sounds

1 like you put a lot of thought into this, and I appreciate
2 it.

3 CHAIRPERSON PEACE: We do have two speakers.
4 First, Dan Armenta representing the city of Vallejo. If
5 you could please state your name and who you represent for
6 the court reporter.

7 MR. ARMENTA: My name is Dan Armenta, and I'm
8 here representing the city of Vallejo. Also with me this
9 morning is the city's recycling coordinator, Derek
10 Crutchfield.

11 I'm here to urge, beg, plead with the Committee
12 to consider the city's circumstance which applies to the
13 mailing of this application and how it didn't arrive on
14 time by June 1st.

15 We mailed the application exactly one week ahead
16 of the deadline. I know, because I personally delivered
17 it to the post office. We also got a receipt for that
18 delivery to the post office. We weren't aware that the
19 application did not arrive until July 14th. In fact, on
20 July 2nd, the city received an e-mail congratulating it on
21 its receipt of the application, an e-mail that was later
22 retracted by staff. But nevertheless, it gave us a good
23 comfort level that the application had been received.

24 When we did find out on July 14th that the
25 application did not arrive, we immediately faxed a copy of

1 the application along with a copy of the receipt showing
2 that it had been mailed in plenty of time to make its
3 destination.

4 In terms of the impacts, this is a significant
5 impact for the city. We're all aware of the financial
6 crisis that the cities across the state are having. But
7 in this case with the city of Vallejo, it would amount to
8 either suspending a portion or all of the current programs
9 that are supported by this block grant. The city
10 currently recycles about 30,000 gallons of oil. Stop some
11 of those programs, and you can bet that some of this oil
12 is going to make its way to drains and eventually out into
13 the bay. That is a real impact of this application not
14 being approved.

15 The other, of course, is that the residents of
16 the city of Vallejo lose the opportunity to recycle. But
17 more importantly, if we suspend the programs for a year,
18 the city loses its momentum. And by the next year, it all
19 of a sudden is faced with the possibility of starting from
20 scratch, all because somebody somewhere put this thing on
21 the wrong conveyer belt or inadvertently delivered it to
22 the wrong place, et cetera.

23 I've been writing grants for about 20 years now.
24 This is the first time in those 20 years that the post
25 office has failed to deliver an application.

1 But I have to tell you, I deal also with other
2 state agencies. One of them in particular, the Department
3 of Conservation. Formula grants -- I'm not suggesting for
4 a moment this would work for competitive grants. But for
5 formula grants, which the block grant is a part of, why
6 couldn't the Board consider the opportunity to fax or
7 e-mail a version of it prior to the deadline? I
8 understand the need to have a hard copy signature. But
9 that can follow up. It can certainly avoid the issue of,
10 was it ever sent? Now, I can't speak for other
11 jurisdictions, but I'm asking you, again pleading and
12 begging with you, to consider these circumstances and
13 approve our application. Thank you.

14 CHAIRPERSON PEACE: Thank you.

15 And our next speaker, David Assman from the
16 San Francisco Department of the Environment.

17 MR. ASSMAN: Madam Chair, Committee Member
18 Patterson, my name is David Assman. I'm Deputy Director
19 of the San Francisco Department of the Environment. And
20 I'm here to say that we appreciate and support the staff's
21 recommendation. I'm going to be very brief.

22 Our biggest obstacle has always been that our
23 Board of Supervisors requires us to do separate accept and
24 expend resolutions on every grant application. We're
25 trying to work with them on getting it streamlined and

1 getting a blanket resolution. We have not yet succeeded.
2 I can assure you that in the future we will, the day we
3 find out what the next cycle's amount is going to be,
4 start the application process so that we can go through
5 the Board of Supervisors in a timely manner.

6 In this situation, our staff member was under the
7 impression she couldn't send in the application until it
8 was complete. We overnighted it the moment we got the
9 Board resolution from the Board of Supervisors. But, as I
10 said, in the future we will make sure that we move as
11 quickly as we can to do this. And if we can get a blanket
12 resolution from our Board, it will make things a lot
13 simpler for us. But we definitely appreciate your
14 consideration today and be happy to answer any questions.

15 CHAIRPERSON PEACE: Thank you for being here.

16 Okay. Anybody else have anything to say?

17 COMMITTEE MEMBER MOULTON-PATTERSON: Well, I just
18 had a question. I mean, today we're going to vote on this
19 resolution. And then will we have time to maybe further
20 look -- we're not going to be deciding about e-mail and
21 all that today; right? Okay. I just wanted to -- I'm
22 ready to move it.

23 CHAIRPERSON PEACE: Okay. Number one, grant the
24 appeal. A, grant the appeal of all the jurisdictions who
25 did not file their applications by June 1st.

1 I'm fine with that. I think there's some pretty
2 good reasons why they weren't on time.

3 Two, future appeals. Instruct staff that the
4 Board will not entertain such appeals in the future and
5 direct the Executive Director to strictly enforce the
6 policy deadline, is staff's recommendation. But I think
7 we really do need to combine that with that the Executive
8 Director will be able to decide appeals. I don't think we
9 can keep jurisdictions from making an appeal. And from
10 the two I've heard today, I think there's some pretty
11 legitimate excuses. So I think I would like to see that
12 they don't necessarily need to come to the Board for
13 appeals, but there has to be an appeal process. And I
14 think that should be left up to the Executive Director.

15 And three, the grace period, allow for future
16 applicants to have this grace period. That's fine. But
17 will the jurisdictions know there's a grace period? Who
18 will know what the grace period is?

19 ACTING BRANCH MANAGER CORNWALL: Our preference
20 would be -- and I think this is the way it's always been
21 handled, that the jurisdiction should make every effort to
22 get everything in on time. And then typically what
23 happens is they'll call and say, "Oh, our Board is meeting
24 next week. Is it okay if we get it in late?"

25 I think that you don't want to widely advertise

1 that there's a grace period because then you -- you want
2 people to get something in on the deadline so we know
3 who's in and who's out. And then we can move forward. We
4 can't determine the grant amounts until we know everybody
5 who's in. So you have to have some date certain by which
6 people are in or out.

7 And that's why I think it's important to have the
8 strict deadline, some deadline when things have to get in.
9 And again, as I said, there's always been some
10 understanding if there's some this or that wrong or you
11 can't quite get your Board resolution in on time, that
12 we'll grant some grace there. So the question is how
13 widely you want to advertise that. I think what you're
14 asking is how widely will that be advertised within the
15 notice of funding opportunity?

16 CHAIRPERSON PEACE: So you're not saying there's
17 a deadline of June 1st, absolute deadline, but then
18 there's a 15-day grace period like you do on your credit
19 card bill. It's due on the 1st, but you really have until
20 the 15th before you get the fine.

21 ACTING BRANCH MANAGER CORNWALL: But we can
22 certainly do that. I think it would make it a lot easier
23 for staff if when there were missing documents or someone
24 had a Board meeting, if they contacted the staff and the
25 staff knew that. So, again, for the planning purposes of

1 our staff.

2 Because then I think you run the risk of if you
3 then say it's the 15th, then they're going to want two
4 more weeks after that, a grace period on the grace period.
5 That's why our preference would be to say this is when the
6 applications are due, and you need to turn in something.
7 And then if there's something that needs to be cleaned up,
8 you know, we can handle that.

9 But, you know, whether you call it a Letter of
10 Intent or application, whatever, you need to get something
11 into us so we know it is your intent to apply for the
12 grant funds.

13 CHAIRPERSON PEACE: As long as you make that
14 really clear in the application, make it clear that they
15 should have either a return receipt requested or get
16 something --

17 ACTING BRANCH MANAGER CORNWALL: We'll certainly
18 do that.

19 CHAIRPERSON PEACE: Something like that. And,
20 also, I think along with what Linda was saying, I would
21 really like to see the date be a postmark date. When all
22 my kids applied to college, it was never the application
23 had to be there by a certain date, but the application had
24 to be mailed and postmarked by a certain date.

25 ACTING BRANCH MANAGER CORNWALL: One of the

1 things that we talked about on a previous application was
2 to say a postmark date four or five days before the actual
3 due date, which would increase certainty that it would get
4 there on a given date. The challenge there is that we
5 thought, well, that could be confusing to people. So it's
6 something, you know, we can certainly take back to the
7 GPAD and take a look at and come back.

8 CHAIRPERSON PEACE: So that's something that you
9 have take a look at or it's something we can do today?

10 ACTING BRANCH MANAGER CORNWALL: Well, Mark.

11 EXECUTIVE DIRECTOR LEARY: Why don't we go ahead
12 and move, Madam Chair, to a postmark date, unless upon
13 further analysis we come to realize a different problem
14 that hasn't been raised today. We'll bring it back to the
15 Committee. But for the sake of clarity, your direction
16 today is the Board move to a postmark date for future
17 grant applications as the deadline date.

18 COMMITTEE MEMBER MOULTON-PATTERSON: I'd like to
19 see that.

20 EXECUTIVE DIRECTOR LEARY: And we'll continue our
21 analysis on the issue. But that is your direction today.
22 And if we have some reason to re-raise it to you because
23 of some unforeseen problem associated with that, we'll
24 bring it back.

25 ACTING BRANCH MANAGER CORNWALL: Let me -- could

1 I just clarify, are you looking for that for all Board
2 grant applications or just for the non-competitive grants?

3 CHAIRPERSON PEACE: I haven't thought that far
4 ahead. Aren't we just talking about this one today?

5 ACTING BRANCH MANAGER CORNWALL: Well, that would
6 be my recommendation.

7 CHAIRPERSON PEACE: So all the non-competitive
8 grants would have a postmark.

9 ACTING BRANCH MANAGER CORNWALL: The
10 non-competitive grants are the local enforcement grants,
11 the LEA grants, and the block grants. We have two
12 non-competitive grants. So maybe just for today since you
13 haven't had the opportunity to look at all the other
14 ramifications, we can talk about postmark for those two,
15 the non-competitive grants.

16 CHAIRPERSON PEACE: Okay. So that would be make
17 it easier for staff just to know we're going to have a
18 postmark date for all non-competitive grants.

19 ACTING BRANCH MANAGER CORNWALL: I think so.

20 CHAIRPERSON PEACE: That's fine. And then were
21 you okay with combining in the future appeals --

22 EXECUTIVE DIRECTOR LEARY: Madam Chair, if I
23 might just for sake of clarity. We will further analyze
24 this idea of postmark versus receipt date. For the
25 purpose of today's discussion, your direction is for this

1 grant process only, the postmark date will be our deciding
2 deadline date.

3 We would like, I think -- I'm getting lots of
4 conversation here out in the audience among our staff.
5 We'd like an opportunity to really flush this thing out
6 for its application across the Board grant programs and
7 bring it back to you for further consideration and
8 conversation.

9 But we certainly understand your direction and
10 intent here and appreciate your sensitivity to the
11 applicant's situation. So we'll come back to you with
12 further analysis.

13 Obviously, this issue isn't part of the notice in
14 the agenda item. So it's not part of your resolution. I
15 am interpreting it as direction to staff to try to
16 implement this and come back to you if there's issues --
17 further issues that need to be discussed. So if we're
18 seeing it the same way, we can move forward with the rest
19 of --

20 CHAIRPERSON PEACE: I think you just confused me,
21 so I don't know if I'm seeing it the same way. Can we
22 make that decision today, or you're telling me staff
23 doesn't want to make that decision today, to have it be a
24 postmark date instead of a received by date?

25 EXECUTIVE DIRECTOR LEARY: What I'm concerned

1 about primarily is this isn't part of the agenda item.

2 The postmark date isn't part of the title, isn't part of
3 the analysis. We can't make it part of your resolution.

4 But I think in terms of statement of intent,
5 you've directed us, you've expressed your interest in this
6 area and we'd like to do further analysis and bring it
7 forward. I think we can take that intent fairly strictly
8 as it applies to this application date.

9 CHAIRPERSON PEACE: Bring another agenda item for
10 us to vote on?

11 EXECUTIVE DIRECTOR LEARY: I think there's a
12 couple possibilities. We could do some further analysis
13 and decide the postmark date really works for all grant
14 applications. And we'll let you know informally that
15 we've changed our internal process to a postmark date. If
16 we come to realize that the postmark date does present
17 some problems that haven't been discussed here, we would
18 bring it back to the Committee for further discussion. So
19 I understand your intent. We want to move aggressively in
20 that direction. But the agenda item doesn't allow that to
21 be part of the resolution at this point in time.

22 COMMITTEE MEMBER MOULTON-PATTERSON: Why? We add
23 things to resolutions all the time. Why can't we say for
24 this resolution we'd like to see it postmark date?

25 ACTING BRANCH MANAGER CORNWALL: Let me just --

1 STAFF COUNSEL BLOCK: I think Mark did say for
2 this particular application --

3 ACTING BRANCH MANAGER CORNWALL: We have to
4 modify this resolution anyway based upon --

5 STAFF COUNSEL BLOCK: The issue is not the
6 resolution. The issue is actually the title, and the
7 title that you have here is for the appeal process for
8 this grant and also clarification of the appeal request
9 process for this grant program in the future. There's no
10 discussion in here about changing from the -- that's what
11 led to the issue, but there's no discussion in here and
12 there's no notice in here for somebody for other grants to
13 know that we were going to have a broader discussion --

14 CHAIRPERSON PEACE: If we leave out other
15 grants --

16 COMMITTEE MEMBER MOULTON-PATTERSON: Just this
17 grant.

18 CHAIRPERSON PEACE: -- can we make it just this
19 grant and deal with the other grants later?

20 STAFF COUNSEL BLOCK: Yes. I believe that's what
21 Mark was saying.

22 The problem is that you do have a number of
23 different grants with a lot of variations, different
24 programs --

25 CHAIRPERSON PEACE: So instead of doing each one

1 separately, you want to bring an agenda item forward that
2 would cover all the deadlines and all the grants?

3 STAFF COUNSEL BLOCK: What we're talking about
4 doing is taking your direction. You certainly can give us
5 direction and then go back and explore this issue
6 separately from making a decision today. If it turns out
7 that it is fairly simple, that it doesn't necessarily
8 create some issues, that it might be --

9 CHAIRPERSON PEACE: I guess I just don't
10 understand what issues it will create. We're saying it
11 has to be postmarked by the 1st, but we're giving them a
12 month grace period anyway. I guess I don't see what --

13 STAFF COUNSEL BLOCK: I think what we're asking
14 for is a chance to see -- just to take a look at that.
15 Because we've got so many grant programs at the Board and
16 you're dealing with schedules. As Bonnie has described,
17 we've got some tight schedules --

18 COMMITTEE MEMBER MOULTON-PATTERSON: We're not
19 talking about all the grants. We're talking about this
20 one, if we can modify this one.

21 STAFF COUNSEL BLOCK: I understand. I did say
22 for this one that was fine. But I thought I understood
23 Board Member Peace to say that she didn't understand why
24 we couldn't also do it for all other grants or we had to
25 do something else. So I was talking about the other

1 grants at this point.

2 CHAIRPERSON PEACE: I was going to ask Bonnie one
3 more question. When you said last year where the deadline
4 was the 1st, even though you got some that weren't
5 complete like this year, that there weren't any that were
6 disqualified for being late. I mean, what was the big --
7 there weren't as many that were incomplete this year as
8 last year?

9 ACTING BRANCH MANAGER CORNWALL: There were only
10 a handful that were incomplete last year.

11 CHAIRPERSON PEACE: Why the big jump this year?

12 ACTING BRANCH MANAGER CORNWALL: I wish I could
13 read into the future or read the tea leaves of the past.
14 I don't know.

15 CHAIRPERSON PEACE: There wasn't any big change
16 in the application? There wasn't anything different that
17 would cause --

18 ACTING BRANCH MANAGER CORNWALL: I think the
19 notion in terms of the four that were late, the holiday
20 fell differently than it did last year and, you know,
21 so -- but why there were so many -- we've never had that
22 many with sort of missing information. So I really -- you
23 know, again, we have some fixes that we think will help,
24 like posting it in advance so people know. I think one of
25 the things when we notified people that they had something

1 missing, somebody was on vacation, they were on maternity
2 leave, you know, there are a lot of things that just
3 didn't get handled. But, you know, I think it all worked
4 out within the month's period so that --

5 CHAIRPERSON PEACE: I do want it to be a postmark
6 date. I'm just thinking if we should leave that out.
7 Will it make things confusing for the jurisdictions if one
8 grant is the due date -- you know, is the postmark date
9 and another grant is a received by date, what grant is it,
10 and that might be confusing. So maybe we should leave
11 that out of this one. Bring maybe an item forward that
12 would cover all the non-competitive -- how you want to
13 handle all the non-competitive grants in terms of it being
14 a postmark date.

15 ACTING BRANCH MANAGER CORNWALL: Sure.

16 CHAIRPERSON PEACE: Does that make sense to you?

17 COMMITTEE MEMBER MOULTON-PATTERSON: I don't
18 care. I just want it addressed at some point. I don't
19 want it to get lost.

20 And with that, I'll go ahead and move Resolution
21 2004-211.

22 CHAIRPERSON PEACE: With that --

23 COMMITTEE MEMBER MOULTON-PATTERSON: With the
24 suggestion --

25 CHAIRPERSON PEACE: With the suggestion that

1 appeals still go to the Executive Director.

2 And I second that.

3 Okay. What is your pleasure? You want to move
4 this to the full Board or put it on consent?

5 COMMITTEE MEMBER MOULTON-PATTERSON: I think we
6 should put it on the consent, and if the full Board would
7 like to pull it, they can.

8 CHAIRPERSON PEACE: Sounds good to me.

9 COMMITTEE MEMBER MOULTON-PATTERSON: I'm
10 convinced this should be approved.

11 So do you want to call the roll?

12 SECRETARY LINDRUD: Moulton-Patterson?

13 COMMITTEE MEMBER MOULTON-PATTERSON: Aye.

14 SECRETARY LINDRUD: Peace?

15 CHAIRPERSON PEACE: Aye.

16 That brings us to the last item.

17 WASTE TIRE DIVISION SUPERVISOR DELMAGE: Agenda
18 Item C, Consideration of Amendment to Award Fiscal Year
19 2004-2005 Tire Funds for the Tracy Tire Fire Contract.
20 This is August Board Item 15. Todd Thalhamer will be
21 presenting.

22 MR. THALHAMER: Good morning.

23 CHAIRPERSON PEACE: My adviser just told me I
24 don't need to pound the gavel between each item. I was
25 just getting a little excited there. Sorry about that.

1 MR. THALHAMER: You can go ahead and pound it
2 when I'm up here. It's okay.

3 Good morning, Madam Chair, Board Member
4 Moulton-Patterson. We'll keep this real brief and get out
5 of here today. I have four short bullets I'd like to talk
6 about about the item. Just funding history.

7 In January 2003, the Board approved Sukut
8 Construction as the contractor for the Tracy remediation
9 services. This was a multi-year funding project and it
10 was approved for the amount of up to \$8 million with 1
11 million earmarked from Fiscal Year 2004-2005.

12 In May 2003, the Board adopted a Five-Year Plan
13 which was the second addition revised. The multi-year
14 allocations for the cleanup of the Tracy tire fire site
15 was increased. Specifically, Fiscal Year 04-05, the
16 allocation went from 1 million to 2.7.

17 This agenda item is being presented for the
18 amendment of the award of the Fiscal Year 2004-2005 tire
19 fire funds for the additional approximately 1.7 million
20 allocated in the Five-Year Plan for long-term remediation.

21 So just a summary real quick. Contract IWMB
22 C-2017 approved the following funding:

23 Fiscal Year 2002/03, 3 million.

24 Fiscal Year 03/04, 4 million.

25 And Fiscal Year 04/05 was 1 million.

1 This item is addressing the May reallocation of
2 1.865,145 and the revised Fiscal Year 04/05 Five-Year Plan
3 of 1.7 million. The total award is 11,565,154.

4 That concludes my item.

5 CHAIRPERSON PEACE: It's gone up. The estimate
6 on how much it's going to cost to clean it up has gone
7 from original 9 to 11.5.

8 MR. THALHAMER: It will be more than that. It
9 will be about 13, 14 by the time the project is done.

10 CHAIRPERSON PEACE: Okay. Any questions?

11 COMMITTEE MEMBER MOULTON-PATTERSON: I'd like to
12 move Resolution 2004-223.

13 CHAIRPERSON PEACE: And I'd second that.
14 Substitute the previous roll.

15 And we will send this to the full Board with --
16 because this is a fiscal item, we'll send it to the full
17 Board with the Committee support.

18 WASTE TIRE DIVISION SUPERVISOR DELMAGE: Would it
19 be possible to have it on fiscal consent?

20 EXECUTIVE DIRECTOR LEARY: That's what she said.

21 WASTE TIRE DIVISION SUPERVISOR DELMAGE: All
22 right.

23 EXECUTIVE DIRECTOR LEARY: Actually, Member Peace
24 said it more appropriately. It goes to the full Board
25 because it's a fiscal item with full Committee support.

1 Our shorthand way of referring to that is fiscal consent.

2 WASTE TIRE DIVISION SUPERVISOR DELMAGE: Thanks.

3 CHAIRPERSON PEACE: Okay. I think we do have one
4 more speaker who wants to address the Committee, Michael
5 Harrington.

6 MR. HARRINGTON: Good morning, Chairman Peace and
7 Member Moulton-Patterson. I'm Mike Harrington with BAS
8 Recycling of San Bernardino, California, here with Rog
9 Sarkiss, the CEO and President of BAS recycling. And
10 we're here today not on -- and I hope you're not
11 confused -- one of the agenda items. We came up and
12 wanted to formally address this Committee as hopefully the
13 proper place for two different proposals that we would
14 like this Committee to look into and possibly recommend to
15 the Board.

16 The first proposal concerns BAS in particular as
17 a whole tire recycler to crumb rubber. And that is our
18 customer base requires us to provide crumb rubber that is
19 all black in color. This means that any passenger tire
20 white wall or lettering on a tire is viewed as a
21 contaminant. Therefore, we find ourselves in the position
22 of recycling a large amount of highway vehicle truck
23 tires. We process enough highway vehicle truck tires to
24 satisfy maybe 50 percent of the demand that we're
25 receiving for all-black crumb rubber.

1 So we're out into the marketplace trying to
2 attract more tires. We are not supplying the additional
3 demand, not because of any limitation on our production
4 equipment, but on our limitation to get highway vehicle
5 truck tires to our facility.

6 In California, as anywhere, the tires go to their
7 cheapest means of disposal. In California, that's
8 landfills. So we're in competition basically with
9 landfills for the disposal of waste tires. We collect
10 tires as far away as Livermore, California; Northern
11 California; and all of Southern California. But we have a
12 large amount of them that still find their way into
13 various landfills, either Azusa or any number of others in
14 the state.

15 We would like this Committee to investigate if
16 the Board has the willingness or the authority to actually
17 ban the landfilling of highway vehicle truck tires from
18 all landfills in California. Again, we have the capacity
19 and the demand to recycle all of the tires, all of the
20 highway vehicle truck tires, that are generated within the
21 state.

22 We have kind of a second --

23 CHAIRPERSON PEACE: Let me just ask a question of
24 our Legal Department.

25 If we were to do something like this, is that

1 something the Board can do or would that have to be
2 something they do over in the big white building over
3 there?

4 STAFF COUNSEL BLOCK: I think we're going to have
5 to take a look at this and find out what the extent of our
6 authority is and what the options would be, what would be
7 necessary. I couldn't answer that question today. Sorry.

8 CHAIRPERSON PEACE: Thank you.

9 MR. HARRINGTON: Any other questions on that?

10 CHAIRPERSON PEACE: What is your second one?

11 MR. HARRINGTON: We also have a second proposal
12 that, again, we hope we're coming to the right place,
13 being the Special Waste Committee. This is more of an
14 industry observation and also an industry request.

15 In 1989, the California Tire Recycling Act was
16 passed. The Legislature recognized the problem with
17 stockpiled tires and really gave the California Integrated
18 Waste Management Board kind of the mandate and authority
19 to regulate and manage tire disposal in California through
20 the Tire Recycling Act, and also SB 876 passed in 2000
21 actually provided funding for the Tire Recycling Fund to
22 help address the proper disposal of waste tires. And the
23 proper disposal of waste tires through, you can see even
24 in the Act's name, is tire recycling.

25 However, the funds generated through passage of

1 SB 876 seem to have gone everywhere but to the tire
2 recycler. The tire recycling industry in California went
3 from seven individual firms as late as a year ago to only
4 four remaining. And there's some definite reasons for
5 this.

6 The majority being that on bid projects, say, for
7 a Caltrans project where everyone is very excited about
8 the increased use of rubberized asphalt concrete and the
9 incorporation of crumb rubber into those mixtures, we're
10 finding that more and more the crumb rubber that is going
11 into those projects is coming from out of state and out of
12 country suppliers. And the question is kind of, why is
13 that? Are the California tire recyclers so inefficient
14 they can't compete in their own backyard?

15 And the answer is that we are efficient. We can
16 compete against other companies in our backyard, but we
17 can't compete against other companies and the governmental
18 reimbursement that they're receiving in other states and
19 in other Provinces. That money collected, say, in the
20 Province of Ontario or the Province of British Columbia
21 and in other states goes more directly to the producers of
22 the recycled product, to the tire recyclers. The money is
23 going toward the people that are solving the problem, as I
24 think that's what the Legislature hopefully had in mind
25 when they created the Tire Recycling Fund to encourage

1 tire recycling. And to encourage tire recycling, we need
2 some support, financial assistance, to level the playing
3 field in bid situations with crumb rubber coming in from
4 other jurisdictions.

5 We would like to see the California tire
6 recycling industry defined as firms that have been in the
7 tire recycling business for at least four years and that
8 produce up to 10 million pounds of crumb rubber annually
9 as a minimum. And for these companies, we would like to
10 see a reimbursement established through the California
11 Tire Recycling Fund going toward tire recycling and say an
12 amount of 5 cents per pound. This would assist us greatly
13 in being able to compete on a level playing field with
14 producers, not only throughout the country, but worldwide.

15 Thank you.

16 CHAIRPERSON PEACE: I realize Canada has a
17 subsidy on their tires. What other states do that you're
18 trying to compete with?

19 MR. HARRINGTON: Other states have various laws
20 that regulate tire disposal where they don't go to
21 landfills. They go directly to a tire recycler.

22 In Arizona, the tipping fee is, I believe, \$65 a
23 ton for tires received.

24 Utah has an actual recycling incentive for shred
25 and crumb rubber producers on a graduated scale with the

1 crumb rubber producers, I believe, collecting 75 -- what
2 amounts to 75 cents per tire going with PTEs and a
3 12-pound average tire.

4 So other states, other jurisdictions through
5 their regulations, the tire recycler is receiving either
6 non-compete or the disposal of tires, increasing the
7 tipping fee, or direct subsidy, as in Ontario -- the
8 Province of Ontario or British Columbia or Utah or other
9 states.

10 CHAIRPERSON PEACE: When you're saying 5 cents a
11 pound and you get 12 pounds of crumb rubber from a tire,
12 that's 60 cents a tire.

13 MR. HARRINGTON: That's what it would equate to.

14 CHAIRPERSON PEACE: Did you figure out a number
15 of what this would cost the Board if we were to even
16 consider this?

17 MR. HARRINGTON: If this were magically to happen
18 and the 5 cent per pound were to stay as it is based on
19 current production, it would be between I think 4 and \$5
20 million.

21 CHAIRPERSON PEACE: Okay. These are some things
22 that we can consider as we go through the review of the
23 Five-Year Plan.

24 MR. HARRINGTON: Thank you for your time.

25 CHAIRPERSON PEACE: Thank you.

1 Does anybody else have anything to say? I guess
2 this meeting is adjourned. And now I can pound the gavel.

3 (Thereupon the California Integrated Waste
4 Management Board, Special Waste and Market
5 Development Committee adjourned at 10:27 a.m.)

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1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 16th day of August, 2004.

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23 TIFFANY C. KRAFT, CSR, RPR

24 Certified Shorthand Reporter

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